

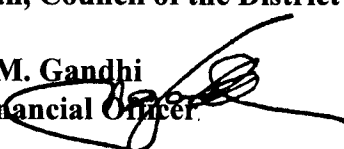
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: June 16, 2009

SUBJECT: Fiscal Impact Statement: "Jacks-Fogle Family Preservation Case Coordination Authorization Act of 2009"

REFERENCE: Draft Bill– No Number Available

Conclusion

Funds are not sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to *fully* implement the provisions of the proposed legislation. There are sufficient local and federal funds in FY 2010 to implement the first phase of the case coordination system proposed by the legislation, which would cost \$6,056,748.

The total cost for fully implementing the system in FY 2011 through FY 2013 would be \$9,984,809. Funds are not sufficient to pay for the full implementation. The *maximum* amount of additional local funds that would have to be appropriated in FY 2011 through FY 2013 to fully implement the proposed legislation would be \$8.2 million. The *minimum* amount needed would be \$3.7 million. The actual amount is unknown because it is contingent upon the portion of system costs the federal government would reimburse and this portion is currently unknown.

Background

The proposed bill would create a case coordination and services integration system across eleven of the District of Columbia's health and human services agencies.¹ Specifically, the bill's provisions

¹ These 11 agencies include 1) Department of Human Services (DHS); 2) Department of Health (DOH); 3) Department of Mental Health (DMH); 4) Department on Disability Services (DDS); 5) Department of Youth Rehabilitation Services (DYRS); 6) Child and Family Services Agency (CFSA); 7) Office of the State Superintendent of Education (OSSE); 8)

would require the Mayor² to establish both a Case Coordination Program to assist health and human services agencies with integrating benefits, services, or supports for individuals and families in emergency or crisis situations, and a Combined Data System³ that would contain data from the health and human services agencies authorized to share data in accordance with the provisions of the Act, and pursuant to applicable federal⁴ or District law. It also would require the Mayor to develop a Strategic Plan and rules⁵ to implement the provisions of the proposed bill.

In addition, the proposed bill would create the position of a Case Coordinator⁶ and require that each of the agencies, except DHS, appoint a liaison to resolve any emergency or crisis related barrier identified by the Case Coordinator. Lastly, the proposed bill contains provisions regarding the use and disclosure of the health and human services data, as well as penalties for their violation; data security requirements; and the conforming amendments required in order for each of the agencies to be able to share the needed information.⁷

Financial Plan Impact

Funds are not sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to fully implement the provisions of the proposed legislation. Currently, there are sufficient funds in FY 2010 to implement the case coordination and services integration system. However, additional resources would need to be identified in FY 2011 through FY 2013 for the full expansion and implementation of the system.

There are two main categories of costs associated with this legislation: personnel and information technology (IT). Personnel costs include the cost of case coordination teams and the cost of additional DHS staff required to oversee the program. The IT costs include the costs of establishing and maintaining the Combined Data System, and training costs.

District of Columbia Public Schools (DCPS); 9) Department of Employment Services (DOES); 10) Office on Aging; and 11) Department of Health Care Finance (DHCF).

² Or the Mayor's designee.

³ Combined data system means the technological system created to house health and human services data needed to implement the requirements of this Act, that may be viewed by the health and human services District of Columbia personnel or entity authorized to view the minimum amount of information necessary to meet the requirements of this Act. The Combined Data System shall be considered a "combined data system" as defined in accordance with HIPAA (45 C.F.R. § 164.512(k)(6)).

⁴ Including Health Insurance Portability and Accountability Act (HIPAA) and Family Educational Rights and Privacy Act (FERPA).

⁵ Within 365 days from the effective date of this Act.

⁶ A District of Columbia Department of Human Services employee who would provide health and human services case coordination in emergency or crisis situations to individuals or families by convening the Case Coordinator Interagency Team to develop a Person-Centered Service Plan, identifying emergency or crisis related barriers to the relevant agency liaison, and monitoring the implementation of the Plan.

⁷ Many of the health and human services agencies that used to be a part of DHS, such as DOH, DMH, DDS, DYRS, CFSA, and DHCF, were established as cabinet level agencies with their own independent local confidentiality statutes that restrict the sharing of information between these agencies.

Personnel Costs

The first set of personnel costs is for the case coordination teams, each composed of one supervisor, four coordinators, two assistants and a clerk. DHS estimates that they would need a minimum of one team in FY 2010. In FY 2011, they would need to add a second team and in FY 2012, a third. No additional teams would be needed in FY 2013, keeping the total at three teams.⁸ Each team would have an initial cost of approximately \$613,777. DHS could fund the initial team in FY 2010 through FY 2013 using existing resources; however, the ability to fund the additional teams in FY 2011 through FY 2013 would be contingent upon the availability of funding.

Costs for Case Coordination Teams – Full Implementation^a					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Number of teams ^b	1	2	3	3	n/a
Supervisory Case Coordinator (MSS 14)	\$128,100	\$256,200	\$385,581	\$387,509	\$1,157,390
Four Case Coordinators (Grade 11/12)	\$331,938	\$663,876	\$999,133	\$1,004,129	\$2,999,076
Two Program Specialists (Grade 9/10)	\$102,610	\$205,220	\$308,856	\$310,400	\$927,086
Clerical Assistant (Grade 6)	\$38,329	\$76,658	\$115,370	\$115,947	\$346,304
Equipment Costs ^c	\$12,800	\$12,800	\$12,800	\$0	\$38,400
Total	\$613,777	\$1,214,754	\$1,821,741	\$1,817,985	\$5,468,257

^a The personnel costs include salary and a benefits rate of 19 percent. There are no step or COLA increases for FY 2010 and FY 2011, but for FY 2012 and FY 2013 there is an additional 0.5 percent for such increases. This reflects the assumptions made for step and COLA increases in the proposed FY 2010 through FY 2013 budget and financial plan.

^b One team would be needed in FY 2010, a second team would be added in FY 2011 and a third team would be added in FY 2012. In FY 2013, no additional teams would be needed, keeping the total at three.

^c Equipment costs are one-time costs per team and are for 5 wireless pentop PCs, 5 docking stations, 1 desk computer, 2 wireless PDAs and 4 wireless scanners.

The second set of personnel costs would be for four DHS staff needed to oversee the system and the case coordination teams, *if the expansion to three teams were to happen.*⁹ For this reason, the positions and the associated costs would not occur until FY 2012, when the system is expected to be fully operational. There currently are no funds identified to support this additional staff, which would cost \$319,385 in FY 2012 and \$320,982 in FY 2013.

⁸ Each Case Coordinator would be responsible for 15-20 clients. DHS believes they would never require more than four teams.

⁹ There would be a need for additional support and coordination because by FY 2012, the case coordination team staff would be up to 24 people.

Personnel Costs for DHS Agency Staff^a – Full Implementation					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Deputy Family Self Sufficiency and Case Coordination (MSS 14)	\$0	\$0	\$100,611	\$101,114	\$201,725
Program Analyst(Grade 12)	\$0	\$0	\$86,944	\$87,379	\$174,323
Policy Analyst(Grade 11)	\$0	\$0	\$80,025	\$80,425	\$160,450
Staff Assistant (Grade 7)	\$0	\$0	\$51,805	\$52,064	\$103,869
Total	\$0	\$0	\$319,385	\$320,982	\$640,367

^a The personnel costs include salary, a benefits rate of 19 percent, \$500 for computers and 0.5 percent for step and COLA increases. This reflects the assumptions made for step and COLA increases in the proposed FY 2010 through FY 2013 budget and financial plan.

There would be no costs associated with the 10 agency liaison positions because it is envisioned that a current Deputy Director, Chief of Staff, or high level special assistant would act as an agency's liaison and their associated liaison duties would be minimal.

IT Costs

The other main category of costs is for the establishment and maintenance of the Combined Data System, as well as for training on how to use this new system. The majority of the costs would be incurred in FY 2010 and would be for the one-time expenditures for 1,500 licenses. The total FY 2010 costs of \$5.4 million would be fully paid for by federal TANF funds currently available in DHS's budget. For FY 2011 through FY 2013, DHS would need to pay the costs upfront, but then would be reimbursed either fully or partially for them by the federal government.¹⁰ If the costs were fully reimbursed, DHS would have sufficient funds for FY 2011 through FY 2013 for the Combined Data System. If they were not, DHS's ability to cover the costs would depend on how much was reimbursed.

DHS's Portion of IT Costs for the Combined Data System					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Software Licenses (1,500) ^a	\$2,348,429	\$0	\$0	\$0	\$2,348,429
Rules Licenses (1,500)	\$267,888	\$0	\$0	\$0	\$267,888
Hardware	\$350,000	\$0	\$0	\$0	\$350,000
Consulting/Training ^b	\$1,960,000	\$1,960,000	\$980,000	\$0	\$4,900,000
Support/Maintenance	\$516,654	\$516,654	\$516,654	\$516,654	\$2,066,616
Total	\$5,442,971	\$2,476,654	\$1,496,654	\$516,654	\$9,932,933

^a DHS estimates that 1,500 people would need to use the system and thus have a license.

^b This includes training for 1,500 people, as well as assistance with connecting various agencies' legacy systems.

¹⁰ DHS plans to leverage such federal dollars from Health and Human Services (HHS) and Centers for Medicare & Medicaid Services (CMS) through submission of an Advance Implementation Planning document.

Fiscal Impact

The total cost to implement the case coordination and services integration system is \$6,056,748 in FY 2010 and \$16,041,557 across the four-year financial plan period. There are sufficient funds, coming from both local and federal sources, to cover the costs for FY 2010. The local funding needed for FY 2011 through FY 2013 depends on how much of the combined data system costs would be reimbursed by the federal government. The most conservative and least likely scenario assumes that the federal government would not reimburse DHS at all. As a result, \$8.2 million would be needed over the four-year period to fully implement the system. If the federal government were to reimburse DHS 50 percent of the data system costs, \$5.8 million would be needed. If the federal government were to reimburse all of the costs, \$3.7 million would be needed, which is simply the amount needed to fund the additional two case coordination teams.

Estimated Fiscal Impact of Jacks-Fogle Family Preservation Case Coordination Authorization Act of 2009					
<i>Scenario #1: No reimbursement for Case Coordination System</i>					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Total Costs	\$6,056,748	\$3,691,408	\$3,637,780	\$2,655,621	\$16,041,557
Funding Available ^a	\$6,056,748	\$600,977	\$603,982	\$607,002	\$7,868,709
Fiscal Impact	\$0	\$3,090,431	\$3,033,798	\$2,048,620	\$8,172,848
<i>Scenario #2: 50 percent reimbursement for Case Coordination System</i>					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Total Costs	\$6,056,748	\$3,691,408	\$3,637,780	\$2,655,621	\$16,041,557
Funding Available ^a	\$6,056,748	\$1,857,333	\$1,385,903	\$915,031	\$10,215,016
Fiscal Impact	\$0	\$1,834,075	\$2,251,876	\$1,740,591	\$5,826,542
<i>Scenario #3: 100 percent reimbursement for Case Coordination System</i>					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Total Costs	\$6,056,748	\$3,691,408	\$3,637,780	\$2,655,621	\$16,041,557
Funding Available ^a	\$6,056,748	\$3,077,631	\$2,100,636	\$1,123,656	\$12,358,671
Fiscal Impact	\$0	\$613,777	\$1,537,144	\$1,531,966	\$3,682,886

^a Includes both local and federal funding sources.

Totals may not add due to rounding.